
Audit of Florida's Management Controls Over Perkins III Performance Data



FINAL AUDIT REPORT Control Number ED-OIG/A03-C0019 JULY 2003

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U.S. Department of Education
Office of Inspector General
Philadelphia, Pennsylvania

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July 30, 2003

Jim Horne, Commissioner
Florida Department of Education
Turlington Building, Suite 1514
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Dear Commissioner Horne:

Enclosed is our final audit report, Control No. ED -OIG/ A03-C0019, entitled "Audit of Florida's Management Controls Over Perkins III Performance Data". The report incorporates the comments you provided in response to the draft audit report. If you have any additional comments or information that you believe may have a bearing on the resolution of this audit, you should send them directly to the following Education Department official, who will consider them before taking final Departmental action on the audit:

Richard LaPointe, Deputy Assistant Secretary
Office of Vocational and Adult Education
U. S. Department of Education
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Washington, DC 20202

It is the policy of the U.S. Department of Education to expedite the resolution of audits by initiating timely action on the findings and recommendations contained therein. Therefore, receipt of your comments within 30 days would be greatly appreciated.

In accordance with the Freedom of Information Act (5 U.S.C §552), reports issued by the Office of Inspector General are available, if requested, to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act.

Sincerely,

A handwritten signature in black ink that reads "Bernard Tadley".

Bernard Tadley
Regional Inspector General for Audit

Enclosure

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Executive Summary

The purpose of this audit was to assess management controls at the Florida Department of Education (FL DOE) and local agencies to ensure that performance data reported to the U.S. Department of Education (ED) for the Carl D. Perkins Vocational and Applied Technology Education Act, Public Law 105-332, (Perkins III) for the 2000-2001 program year (July 1, 2000, through June 30, 2001) were complete, accurate, and reliable. As part of our audit, we reviewed data reported in FL DOE's Consolidated Annual Report (CAR) that was due to ED on December 31, 2001.

Except for the weaknesses described in the Audit Results section, FL DOE had put a number of controls in place to ensure the quality of the performance data. These controls included the electronic linking of local agencies with FL DOE's data accountability system. This system allowed for control at the local agency level, whereby each agency had its own method and system for collecting the data to satisfy the criteria for the data elements. Additional steps to improve controls included ongoing oversight, review of the data, and continuous training and technical assistance. FL DOE also provided management information system reports to local agencies and automated tools, such as data edits, to improve controls over the quality of the data it received from the local agencies.

In addition, FL DOE is currently using the data to tie workforce education funding to performance outcomes.¹ FL DOE has transformed the workforce development education funding process from a system based on the number of students served to one based on performance. In order to implement the funding formula, school administrators have found it necessary to make significant changes in their program offerings, as well as in the method of gathering and reporting data. The results are that more schools are using the performance data to identify and remove vocational education programs that are poor performers.

While FL DOE had a process to collect and report Perkins III performance data to ED, it needs to strengthen controls over this process to ensure that the data are complete, accurate, and reliable. Specifically, our audit disclosed that:

- FL DOE's Perkins III performance data for community colleges were not complete. It did not report Perkins III performance data for 64 percent of its community colleges.
- FL DOE's Perkins III performance data reported to ED were not accurate and reliable for secondary and postsecondary performance measure sub-indicators 1S1, 1P1, 1P2, 2P1, and 1A1.² FL DOE overstated the number of students reported for these sub-indicators by reporting; (1) duplicate students' records; (2) non-Perkins III students; (3) students who were not completers; and (4) students who dropped enrollment.

¹ According to the Florida Office of Program Policy Analysis and Government Accountability, program review titled *Workforce Development Education Program, Florida Department of Education*, Report No. 01-56, November 2001.

² These identifiers were used to describe FL DOE's sub-indicators. Refer to Table I, in the Audit Results section of the report for a description of each sub-indicator reviewed.

- FL DOE needs to improve its documentation process for summarizing community college reports. There was a discrepancy in the total number of student records used for the Perkins III report and the data file maintained by FL DOE.
- FL DOE needs to improve the processing of school districts' performance data reports. It did not follow up on school districts that did not have performance measurement data reported for placement sub-indicator 3S1.

We recommend that the Assistant Secretary for Vocational and Adult Education require FL DOE to develop additional procedures, establish system edits, and controls to ensure that Perkins III data reported to ED are complete, accurate, and reliable.

In its comments to the draft report, FL DOE generally concurred with the findings and recommendations. FL DOE stated that they had completed some actions and was implementing additional controls to ensure the quality of the Perkins III performance data. It appears that the actions taken will address the issues identified. FL DOE's comments are summarized at the end of each finding and included in their entirety as Attachment D.

Audit Results

This report presents the results of our audit of the management controls over FL DOE's Perkins III performance data reported to ED. Our objective was to determine if the management controls at FL DOE and the local agencies were adequate to ensure that Perkins III performance data reported to ED for program year (PY) 2000-2001 (July 1, 2000 through June 30, 2001) were complete, accurate, and reliable. As part of our audit, we reviewed the following FL DOE performance measure sub-indicators³.

- Secondary Academic Attainment (1S1)
- Secondary Technical Skill Attainment (1S2)
- Secondary Completion (2S1)
- Secondary Placement (3S1)
- Postsecondary Academic Attainment (1P1)
- Postsecondary Technical Skill Attainment (1P2)
- Postsecondary Completion (2P1)
- Postsecondary Placement (3P1)
- Certificate Academic Skills (1A1)
- Certificate Technical Skills (1A2)
- Certificate Completion (2A1)
- Certificate Placement (3A1)

FL DOE had in place a number of controls over Perkins III performance data. While FL DOE had a process to collect and report Perkins III performance data to ED, it needs to strengthen controls over this process. We found that FL DOE's management controls did not always ensure that Perkins III performance data reported to ED were complete, accurate, and reliable. The following table identifies the data quality problems we found during the audit.

Table I – Summary of Issues by Sub-Indicators		
Type of Data Quality Problem Found in Perkins III Data Submitted to ED	Performance Sub-Indicator(s)	Finding Number
Data from 64 percent of FL DOE's community colleges were not reported to ED.	1P1, 1P2, 2P1	1
The number of students reported was overstated for several secondary and postsecondary performance measure sub-indicators.	1S1, 1P1, 1P2, 2P1, 1A1	2
The total number of student records in the supporting data file varied from the number FL DOE reported to ED for community colleges.	1P1	3
Thirteen percent of school districts failed to report occupational completion point data.	3S1	4

³ See Appendix B for the definitions of the sub-indicators.

Finding No. 1 - FL DOE's Perkins III Performance Data for Community Colleges Were Not Complete.

Based on our review of community college data reported to ED, we found that FL DOE omitted Perkins III performance data for 64 percent (18 of 28) of the community colleges because the data the community colleges submitted did not meet its data error threshold.⁴ Under FL DOE's accountability system, community colleges had 30 days at the end of the reporting period to submit data and correct any data errors. FL DOE's policy did not accept changes to the performance data after the 30 days. In addition, if the community colleges' data did not meet the data error threshold, their data were not included in FL DOE's Perkins III CAR to ED.

Although 18 community colleges failed to meet FL DOE's data error threshold requirement, the law requires that all eligible institutions report complete data to ED. Under Perkins III, Part B, § 123(b), "each eligible agency shall evaluate annually, using the State adjusted levels of performance, the vocational and technical education activities of each eligible recipient receiving funds under this title." FL DOE did not evaluate and report to ED the performance of these 18 community colleges. In addition, Part B, § 122(c)(20) requires the state plan to include information that "describes how the eligible agency will ensure that the data reported to the eligible agency from local educational agencies and eligible institutions under this title and the data the eligible agency reports to the Secretary are complete, accurate, and reliable."⁵ Although FL DOE's plan included this information, it did not ensure that the community college performance data reported to ED were complete.

In its Perkins III CAR, FL DOE provided the following qualification for not meeting the requirement: "In a continuous improvement model, Florida has elected to use measures that cannot yet be fully implemented. Once all colleges have implemented the appropriate data elements, Florida will be reporting on all students in all colleges." We concluded that although FL DOE disclosed that it was having difficulty implementing the measures, it appears that the measures could be and were implemented, because 10 community colleges were able to report the appropriate Perkins III data elements. In addition, FL DOE did not disclose that 18 community colleges were omitted.

We visited one community college where data were not reported. We were told by the community college official that the reason there were problems with the data was that FL DOE did not provide Perkins III reporting criteria in a timely manner.

As a result, FL DOE reported performance data based on incomplete community college data. ED relies on this data to assess program results and progress and to report program information to Congress. FL DOE needs to ensure that all community colleges collect and report the appropriate Perkins III performance data elements. The FL DOE should also identify and resolve data errors in sufficient time to be able to report complete data to ED. FL DOE's accountability system needs to provide complete community college performance information as required by law, so that ED can meet its administrative requirements.

⁴ The FL DOE do not accept data from local agencies if the data error rate exceeds a 30 percent threshold.

⁵ See Appendix A for excerpt from the data assurance section of the FL DOE's State Plan.

Recommendations:

We recommend that the Assistant Secretary for Vocational and Adult Education require FL DOE to:

- 1.1 Report Perkins III performance data for all community colleges that receive Perkins III funding. In addition, it should make full disclosure of the problem and what is being done to correct it.
- 1.2 Establish controls to ensure that Perkins III reporting criteria are provided to all community colleges in a timely manner.
- 1.3 Develop procedures to identify and resolve data errors in time to meet Perkins III reporting requirements.

FL DOE Comments:

FL DOE concurred with our finding and recommendations. In its response to the draft report, FL DOE stated that 20 of the 28 community colleges met the data quality standards for PY 2001-2002. FL DOE required the community colleges that did not meet the data quality standards to identify how they will correct the deficiency prior to receiving next year's funding. FL DOE stated that they provided the selection criteria to community college coordinators prior to data submission. Realizing that constant updating is important, it will present Federal (Perkins) update at most reports coordinators meetings, state data base meetings, and at many state and regional workshops. FL DOE also stated that it implemented a process to enable State staff to take an in-depth look at data issues for each measure at each local educational agency for multiple years. Steps are also being taken to review this local data prior to the CAR submission of state data.

Finding No. 2 - FL DOE's Perkins III Performance Data Reported to ED Were Not Accurate and Reliable for Secondary and Postsecondary Performance Measure Sub-indicators 1S1, 1P1, 1P2, 2P1, and 1A1.

FL DOE did not report accurate and reliable data in its CAR to ED for sub-indicators 1S1, 1P1, 1P2, 2P1, and 1A1. Based on our review of data reported for the local agencies sampled, FL DOE overstated the number of students by reporting: (1) duplicate students' records; (2) students who were not vocational concentrators; (3) students who were not completers; and (4) students who dropped enrollment. We found that:

- For one local agency, 49 percent (852 of 1,743) of students' records were reported more than once in performance sub-indicators 1P1, 1P2, and 2P1.⁶ For the majority of the records, the differences were attributed to changes in the student's Classification of Instructional Program (CIP) number. Under FL DOE's accountability system, local agencies could change a student's CIP number when the type of degree or certificate award program changed. However, FL DOE did not have controls in place to prevent the student's previous record from being reported and counted as a separate record. FL DOE became aware of the duplicate student records as a result of working with the local agency to change the CIP numbers, but FL DOE incorrectly made a decision to report the

⁶ The 49 percentage is an average for sub-indicators 1P1, 1P2, and 2P1.

duplicate records. This decision did not agree with the definition of FL DOE performance measures. These performance measures require that FL DOE report the number of students who declared a program of study, not the number of students enrolled in the different vocational education programs. In conjunction with this issue, we found that FL DOE had not established system edit checks to identify and eliminate duplicate social security numbers from being reported.

- Eighteen percent (9 of 50) of the students sampled at one local agency for sub-indicator 1P1 were enrolled in non-Perkins III courses. These students, who were not vocational concentrators, were enrolled in either enhancement or refresher courses during the program year. For some vocational and technical occupations, individuals are required to attend refresher courses in order to maintain State certification. Since these individuals were previously enrolled in a Perkins III program, FL DOE's accountability system inadvertently identified them as Perkins III students.
- Fourteen percent (4 of 28) of the students sampled at two local agencies for sub-indicators 1S1 and 1A1 were not completers. These performance measures required FL DOE to report students who completed a vocational education program. Under FL DOE's accountability system, vocational completers were those students who had attained the academic and technical knowledge/skills/proficiencies in their programs/sequences of courses. We found that students were reported as completers but did not have sufficient credits to meet FL DOE's requirement for program completion.
- Eight percent (2 of 25) of the students sampled at one local agency for sub-indicator 1P2 dropped their enrollment before attending classes. These students enrolled but failed to attend during the reporting year.

Under Perkins III, Part B, § 122(c)(20), states are required to include information that “describes how the eligible agency will ensure that the data reported to the eligible agency from local educational agencies and eligible institutions under this title and the data the eligible agency reports to the Secretary are complete, accurate, and reliable.” Although, FL DOE's plan included this information, it did not ensure that performance data reported to ED were accurate and reliable. In addition, ED Office of Vocational and Adult Education's (OVAE's) *Core Indicator Framework*, dated January 2000, established the following data quality criteria for reporting performance measures. This framework is the basis for states to report Perkins III performance data to ED.

Data Quality Criteria

Validity– The degree to which the performance measures approach directly and fully measures the student outcomes at an appropriate interval. Directly measures what they are supposed to measure.

Reliability – Requires states to use effective management information systems for insuring data quality.

The student data reported to ED for sub-indicators 1S1, 1P1, 1P2, 2P1, and 1A1 were not accurate and reliable because FL DOE's accountability system did not always measure what it

was intended to measure. In addition, FL DOE did not establish controls to identify duplicate student records nor students who either dropped enrollment or were enrolled in a non-Perkins III course. Perkins III funds are allotted to Florida based on a formula that takes into account the student population. Overstating the number of students could affect the Perkins III funding for the State.

Recommendation:

We recommend that the Assistant Secretary for Vocational and Adult Education require FL DOE to:

- 2.1 Establish controls and system edits to ensure it does not report multiple student records, and students it reports to ED meet the Perkins III criteria in the State Plan.

FL DOE Comments:

FL DOE generally concurred with our finding and recommendation. In its response to the draft report, FL DOE stated that new controls were implemented to ensure that data are unduplicated and students that withdrew prior to attending classes are not reported. FL DOE was uncertain about the issue relating to sub-indicators 1S1 and 1A1.

Finding No. 3 - FL DOE Needs to Improve Its Documentation Process for Summarizing Community College Reports

FL DOE did not report accurate data on community colleges to ED. A review of the data file for one community college for sub-indicator 1P1 disclosed a discrepancy in the total number of student records used for the Perkins III CAR report and the data file provided to the auditors. We randomly selected and reviewed the records of one of the 10 community colleges whose data were included in FL DOE's Perkins III CAR report. The summary report for the selected community college showed that there were 5,969 detailed student records. We requested and were provided a file that should have contained the details on these 5,969 records. The FL DOE official who handled the community college data explained that the file contained some unwanted records. We eliminated those records and determined there were 5,928 records. The official was unable to explain the difference in the number of records. The official reviewed the data again and determined the total number of student records was actually 5,911.

Under Perkins III, Part B, § 122(c)(20), states are required to include information that "describe how the eligible agency will ensure that the data reported to the eligible agency from local educational agencies and eligible institutions under this title and the data the eligible agency reports to the Secretary are complete, accurate, and reliable." Although, FL DOE's plan included this information, it did not ensure that the community college performance data reported to ED were accurate.

FL DOE did not have procedures in place to maintain supporting documentation for the data contained in the CAR for sub-indicator 1P1. FL DOE officials indicated that they revised the data reports when they noted errors to assure the process changes would be available for the next reporting year. However, FL DOE officials did not keep the supporting data for the Federal

reporting totals. Since there was no audit trail and the differences could not be verified, we were not able to determine if the computer output supporting the CAR for sub-indicator 1P1 was complete, accurate, and reliable. In addition, since the CAR for sub-indicator 1P1 contained unwanted records that FL DOE did not remove, it did not accurately report the performance measure.

Recommendation:

We recommend that the Assistant Secretary for Vocational and Adult Education require FL DOE to:

- 3.1 Develop procedures to capture the original file information to support the CAR and document the reason for anomalies and differences in the data files found after Perkins III reporting.

FL DOE Comments:

FL DOE concurred with our finding and recommendation. In its response to the draft report, FL DOE stated it implemented procedures to capture the 2001-2002 data.

Finding No. 4 – FL DOE Needs to Improve the Processing of School Districts Performance Data Reports.

FL DOE did not follow up on school districts that did not report data for certain performance measures. We found 13 percent (9 of 67) of school districts did not have performance measurement data reported for placement sub-indicator 3S1. We performed a site visit at one of these districts. A review of the detailed student record data for that district showed that 25 students had Occupational Completion Points (OCPs) in 1998-1999 and 2000-2001, but no student had OCPs in 1999-2000, our audit period.⁷ The district official indicated that students had OCPs that year, but they had a problem reporting them to FL DOE.

Under Perkins III, Part B, § 122(c)(20), states are required to include information that “describe how the eligible agency will ensure that the data reported to the eligible agency from local educational agencies and eligible institutions under this title and the data the eligible agency reports to the Secretary are complete, accurate, and reliable.” Although FL DOE’s state plan included this information, it did not ensure that the performance data was accurate and complete.

We found that FL DOE did not have procedures to routinely compare data reported in the current year to the previous year or to follow up on districts that did not report data. FL DOE officials claimed that there were management reports in the system available for the school districts to use and determine this type of information. Though reports are available to the school districts, they are also available to FL DOE. FL DOE officials did not use these reports to review the data themselves. FL DOE is ultimately responsible to report accurate and complete data to ED,

⁷ The Perkins III performance measure for placement required States to use student completion data from the previous reporting year. For example, in order for FL DOE to gather placement data for reporting year 2000-2001, it must use students who completed their program of study in year 1999-2000.

therefore it should also use these reports to review the school district data before reporting them to ED.

ED cannot be assured that the data for school districts were accurate and complete for sub-indicator 3S1. ED relies on this data to assess program results and progress and to report that information to Congress. FL DOE did not ensure that complete data was reported to ED for this performance measure.

Recommendation:

We recommend that the Assistant Secretary for Vocational and Adult Education require FL DOE to:

- 4.1 Develop procedures to routinely compare data reported in the current year to the previous year and follow up on school districts that do not report data.

FL DOE Comments

FL DOE concurred with our finding and recommendation. In its response to the draft report, FL DOE stated that, for postsecondary data, reports are prepared to compare data reported in the current year to the previous year. FL DOE also implemented a process requiring local staff to identify both data and program improvement strategies by looking at multiple years of data. Steps are being taken to review this local data prior to the submission of the State's CAR.

Other Matter

In addition to the findings discussed in the Audit Results section of this report, we noted the following minor deficiency.

FL DOE's Perkins III performance data were not always coded accurately at the local agency level. Two of the four local agencies we sampled did not always code students' data accurately. The coding errors included incorrect OCP codes for eight percent (6 of 71) of the students sampled and the wrong technical preparation (tech-prep) code for 15 percent (18 of 121) of the students sampled.

We found that some local agencies' controls were not adequate to ensure that Perkins III performance data were coded and input correctly. As a result, the data reported did not accurately measure the performance of the students. ED relies on this data to assess program results and progress. Although the coding errors we noted were minor, FL DOE should provide technical assistance to local agencies to establish additional controls that will ensure that the coded data are accurate.

Background

The Carl D. Perkins Vocational and Applied Technology Education Act of 1998 (Perkins III), Public Law 105-332, was signed into law on October 31, 1998, and is administered by the U.S. Department of Education, Office of Vocational and Adult Education (OVAE). The purpose of Perkins III is to develop more fully the academic, vocational, and technical skills of secondary and postsecondary students who elect to enroll in vocational and technical education programs. All States receive funds for secondary and postsecondary education. The funds are allotted to the States based on a formula which takes into account the State's population in certain age groups and their per capita income. Only State Boards for Vocational Education are eligible to apply to ED for State Basic Grants. The distribution of grant funds within a state is directed to priority items established by the State in accordance with an approved State plan for vocational-technical education. Local educational agencies and postsecondary institutions are eligible local agencies of the grants. Local agencies can be school districts, technical institutions, and community colleges.

The central goals of Perkins III are improving student achievement and preparing students for postsecondary education, further learning, and careers in current or emerging occupations requiring other than a baccalaureate or advanced degree. Perkins III gives States, school districts, and postsecondary institutions greater flexibility to design services and activities that meet the needs of their students and communities. In return for greater flexibility, States must establish more progressive performance standards and goals, and are held to a higher degree of accountability.

Perkins III establishes a rigorous State performance accountability system to assess the effectiveness of the State in achieving progress in vocational and technical education and to optimize the return of investment on Federal funds in vocational and technical education

activities. Perkins III requires States to identify specific measures and targeted levels of performance in its State plan, and to track its achievements in four specific outcome areas:

- *academic and technical skill attainment;*
- *completion;*
- *placement and retention; and*
- *non-traditional participation and completion.*

There are specific sub-indicators under each outcome area. Performance data must be provided for vocational concentrators and broken down by special population categories. States may also add additional performance indicators to its plan. Furthermore, Perkins III requires States to reach agreement with the Secretary on targeted levels of performance. States that exceed agreed upon performance levels for Perkins III, the Adult Education and Family Literacy Act, and Title I of the Workforce Investment Act are eligible for incentive grant awards. The actual level of a State's Perkins III performance is defined as a percentage, based on the number of students in the numerator and denominator for each sub-indicator. The State reports the numerator, denominator, and level of performance in the Perkins III CAR.

Perkins III took effect in PY 1999-2000, which began on July 1, 1999. By April 12, 1999, FL DOE submitted a new plan for Perkins III, taking into account the targeted performance level and measurement of core indicators of performance for Perkins III. Our audit reviewed data from PY 2000-2001, the second year governed under the new law. Congress appropriated more than \$1 billion for Perkins III in PY 2000-2001. FL DOE received \$50 million in Perkins III basic grant funds and received an additional \$3 million in incentive grant funds under the Workforce Investment Act of 1998. FL DOE was required to submit its first Perkins III performance report to ED for PY 2000-2001 by December 31, 2001.

Administration of Perkins III was handled by the FL DOE, Division of Workforce Development (DWD). DWD coordinated data collection periods, oversaw data collection and processing, compiled and reviewed the data, and reported it to ED. Vocational student data were gathered electronically from the local agencies by FL DOE's Division of Technology (for school districts) and the Division of Community Colleges. Each local agency had its own method to collect and process the student data used for Perkins III reporting. They transmitted the data to DWD's Northwest Regional Data Center, located in Tallahassee, FL. Data records collected from the school districts and community colleges were then put through a matching process in the Florida Education Training and Placement Information Program (FETPIP) system. FETPIP is a central database that contains data records from many State agencies. For Perkins III reporting purposes, it determined placement data for students. FETPIP tracked them as they furthered their post-secondary education, joined the workforce or the military, determined whether the student collected unemployment compensation or even if they were incarcerated. After the student data records from the local agencies were updated with placement information from FETPIP, DWD consolidated the data into the CAR for reporting to ED.

Objective, Scope, and Methodology

The purpose of this audit was to assess management controls at FL DOE and local agencies to ensure that Perkins III performance data reported to ED for PY 2000-2001 were complete, accurate, and reliable. The review focused on the quality of the data submitted by the local agencies to FL DOE and how FL DOE collected and compiled that data for annual reporting to ED.

Our audit covered the performance data for Perkins III funds awarded during PY 2000-2001. We sampled and reviewed FL DOE's performance data for the numerator and denominator of 12 sub-indicators to determine if the data was complete, accurate, and reliable (See the Audit Results Section for a description of the sub-indicators reviewed).

We visited FL DOE and four local agencies and reviewed the data collection and reporting processes related to Perkins III performance data. Our audit included a review of management controls and data reliability testing. Using simple random sampling, we randomly selected one local agency from each of the following universes of local agencies that had vocational educational programs and received Perkins III funds. We chose an additional community college to audit, as data were not available for all of the sub-indicators at the first community college we selected.

Table II. – Universe of Local Agencies	
Secondary Schools	67
Post-Secondary Technical Centers	38
Community Colleges	28

We conducted our fieldwork at FL DOE, in Tallahassee, FL; DeSoto County School District, in Arcadia, FL; Hillsborough Community College, in Tampa, FL; First Cost Technical Institute (provides vocational education for St. John's School District), in St. Augustine, FL; and St. Petersburg College, in St. Petersburg, FL.

To accomplish our audit objective, we interviewed FL DOE and local agency officials responsible for gathering and reporting Perkins III performance data. We evaluated FL DOE's procedures used to collect the data for the CAR to determine whether its management controls ensure that Perkins III performance data were complete, accurate, and reliable. We tested the accuracy and completeness of the data for the four local agencies visited by using simple random sampling to select the student records from FL DOE's database. We visited the four local agencies selected to obtain and review the supporting documentation. We randomly selected and tested 341 students from a universe of 20,279 unique student identification numbers (See Appendix C for the universes and the number of students sampled at each local agency by sub-indicator). Additionally, we reviewed the students' placement information (for sub-indicators 3S1, 3P1, and 3A1) by performing a test of the FETPIP system.

During the audit, we relied on computer-processed Perkins III-related student records. To assess the reliability of the data, we compared the computer processed data with source documentation (student and school records). We also performed completeness tests involving record counts

within the databases of student information. Based on these tests, we concluded that the data were sufficiently reliable to be used in meeting the audit objective.

We performed our fieldwork at FL DOE and the local agencies from June 24, 2002, to November 6, 2002. We held an exit conference at FL DOE on November 7, 2002. We conducted the audit in accordance with generally accepted government auditing standards appropriate to the scope of the review described above.

Statement on Management Controls

We have made a study and evaluation of the management control structure of FL DOE's accountability system over Perkins III performance data in effect during our fieldwork. For the purposes of this report, we assessed and classified the significant management control structure into the following categories:

- Process of coding and inputting Perkins III performance data;
- Process for receipt of Perkins III performance data;
- Data review and edit process; and
- Reporting Perkins III performance data.

The management of FL DOE is responsible for establishing and maintaining a management control structure. In fulfilling this responsibility, estimates and judgment by management are required to assess the expected benefits and related cost of control procedures. The objectives of the management control structure are to provide management with reasonable, but not absolute, assurance that program performance is properly assessed and measured and that the transactions are executed in accordance with management's authorization and recorded properly, so as to permit effective and efficient operations.

Because of inherent limitations in any management control structure, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in condition, or that the degree of compliance with the procedures may deteriorate.

In our opinion, the management control structure of FL DOE in effect during the fieldwork, taken as a whole, was sufficient to meet the objectives stated above insofar as those objectives pertain to the prevention or detection of errors, or irregularities that would be material in relation to Perkins III. However, our assessment did disclose the following conditions in the management control structure of Perkins III.

- FL DOE's Perkins III performance data for community colleges were not complete.
- FL DOE's Perkins III performance data reported to ED were not accurate and reliable for secondary and postsecondary performance measure sub-indicators 1S1, 1P1, 1P2, 1A1, and 2P1.
- FL DOE needs to improve its documentation process for summarizing community college reports.
- FL DOE needs to improve the processing of school districts performance data reports.

These weaknesses and their effects are fully discussed in the Audit Results section of this report.

Appendix A

Excerpt from the Florida Department of Education's State Plan, Re: Data Assurance:

Section: 4.5 Ensuring that the data reported to the State from local educational agencies and eligible institutions under Perkins III and the data you report to the Secretary are complete, accurate, and reliable. [Sec. 122(c)(20)]

The data gathered through the Florida educational data system are reported using a uniform, coordinated statewide system of data elements and formats. These elements have statewide definitions, characteristics, and submission requirements, including submission dates and correction windows.

Data are edited, first at the local level using edits pulled down from the state level, and then at the state level when the data are received. Edits include internal examination of responses to specific elements, cross-referenced examinations of related elements, and cross-referenced examinations between and among elements on multiple formats. If the level of error exceeds a predetermined level, no records are loaded. In all cases, edit errors are communicated to the local level for review and correction.

Several strategies are employed in a continuing effort to maintain and/or improve the completeness, accuracy, and reliability of the data. There is local and state educational agency review and input periodically (at least annually), including a formalized data advisory group for this purpose. There is, in addition, continuous monitoring by management information services and program staff. Management reports providing data displays, analyses, and comparisons for single and multiple years are used as part of these processes.

Appendix B

Definitions of the Florida Department of Education's Performance Measures⁸

Core Indicator 1 - Academic and Technical Skill Attainment			
Measure	Approach	Numerator	Denominator
1A1	Postsecondary Certificates Academic Skills	Number of students in Vocational Certificate (PSAV) programs who achieved an OCP and who have achieved the prescribed Basic Skills levels.	All students enrolled in Vocational Certificate (PSAV) programs that are not exempt from the Basic Skill exams.
1A2	Postsecondary Certificates Technical Skills	Number of students who achieved at least one OCP in a Vocational Certificate (PSAV) program.	All students enrolled in a Vocational Certificate (PSAV) program.
1P1	Postsecondary College Credits Academic Attainment	Number of students who meet the criteria in the denominator and who have attained a GPA of 2.5 or higher.	Number of students who have declared a career degree program of study or a college credit certificate program of study and who have completed at least 11 college credits.
1P2	Postsecondary College Credits Technical Skills	Number of students who have declared a career degree program of study or a college credit certificate program of study and who have completed at least 11 college credits.	Number of students who have declared a career degree program of study or a college credit certificate program of study and who are enrolled in the reporting year.
1S1	Secondary Academic Attainment	Number of secondary vocational job preparatory students who achieved an OCP and attained a high school diploma or its recognized state equivalent.	Number of secondary vocational job preparatory students who achieved an OCP and left secondary education in the reporting year.
1S2	Secondary Technical Skills	Number of secondary vocational job preparatory students who achieved an OCP and attained a high school diploma or its recognized state equivalent.	Number of secondary graduates in the reporting year.
Core Indicator 2 - Completion			
Measure	Approach	Numerator	Denominator
2A1	Postsecondary Certificates Completion	Number of students who achieved a Vocational Certificate (PSAV)	All students who achieved at least one OCP in a Vocational Certificate (PSAV) program
2P1	Postsecondary College Credits Completion	Number of students who have completed a career degree or college credit certificate.	Number of students who have declared a career degree program of study or a college credit certificate program of study and who have completed at least 11 college credits.
2S1	Secondary Completion	Number of secondary vocational job preparatory students who achieved an OCP and attained a high school diploma or its recognized state equivalent.	Number of secondary vocational job preparatory students who achieved an OCP and left secondary education in the reporting year.

⁸ Definitions were provided by the Florida Department of Education.

Core Indicator 3 - Placement and Retention			
Measure	Approach	Numerator	Denominator
3A1	Postsecondary Certificates Placement	Number of OCP completers who exited the program and were located working, continuing education, or in the military.	All completers exiting with a valid social security number.
3A2	Postsecondary Certificate Retention	Last year's placements found still working, continuing education, or in the military.	Student found placed in the previous year.
3P1	Postsecondary College Credits Placement	Number of program completers who exited the program and were located working, continuing education, or in the military.	All completers exiting with a valid social security number.
3P2	Postsecondary College Credit Retention	Last year's placements found still working, continuing education, or in the military.	Students found placed in the previous year.
3S1	Secondary Placement	Number of completers who exited the program and were located working, continuing education, or in the military.	All completers exiting with a valid social security number.
Core Indicator 4 - Non-Traditional Participation and Completion			
Measure	Approach	Numerator	Denominator
4A1	Postsecondary Certificates Nontraditional Enrollment	Number of students enrolled in programs non-traditional for their gender.	All students enrolled in non-traditional programs.
4A2	Postsecondary Certificates Nontraditional Completion	Number of students who completed at least one OCP in a program identified as non-traditional for their gender.	All students who completed at least one OCP in a non-traditional program.
4P1	Postsecondary College Credits Nontraditional Enrollments	Number of students enrolled in career degree or college credit certificate programs non-traditional for their gender.	Number of students enrolled in career degree or college credit certificate program non-traditional for their gender.
4P2	Postsecondary College Credits Nontraditional Completion	Number of students who completed degree or college credit certificate identified as non-traditional for their gender.	All students who completed non-traditional programs.
4S1	Secondary Nontraditional Enrollment	Number of students enrolled in programs non-traditional for their gender.	All students enrolled in non-traditional programs.
4S2	Secondary Nontraditional Completion	Number of students who completed at least one OCP in a program identified as non-traditional for their gender.	All students who completed at least one OCP in a non-traditional program.

Appendix C

The Universes and Number of Students Sampled at Each Local Agency by Sub-Indicator

Number of Students Sampled at Each Local Agency by Sub-Indicator

Local Agency		Sub- Indicators									Total Sampled
		1S1	1S2	2S1	1P1	1P2	2P1	1A1	1A2	2A1	
DeSoto County SD	N	(a)	(a)	31							45
	D	3	11	(a)							
Hillsborough Community College	N				(b)	(a)	25				75
	D				(b)	50	(a)				
St. Johns SD (FTCI)	N							25	(a)	50	121
	D							25	(a)	21	
St. Petersburg College	N				25	(a)	25				100
	D				25	25	(a)				
Total Sampled		3	11	31	50	75	50	50	(a)	71	341

Universe of Students at Each Local Agency by Sub-Indicator

Local Agency		Sub- Indicators									Total Universe
		1S1	1S2	2S1	1P1	1P2	2P1	1A1	1A2	2A1	
DeSoto County SD	N	(a)	(a)	105							181
	D	12	64	(a)							
Hillsborough Community College	N				(b)	(a)	589				9,919
	D				(b)	9,330	(a)				
St. Johns SD (FTCI)	N							275	(a)	1,069	2,039
	D							278	(a)	417	
St. Petersburg College	N				3,967	(a)	1,268				8,140
	D				597	2,308	(a)				
Total Universe		12	64	105	4,564	11,638	1,857	553	(a)	1,486	20,279

We reviewed the students' placement information for sub-indicators 3S1, 3P1 and 3A1 by performing a test of FL DOE's FETPIP system.

(a) Students' performance data for these sub-indicators were tested while sampling another sub-indicator. The definitions of the numerator or denominator were the same for some sub-indicators (See Appendix B for definitions).

(b) Data were not available for this sub-indicator, since it did not meet the State's data error threshold.

N = Numerator
D = Denominator
SD = School District

Appendix D

FL DOE Comments on the Draft Report

FLORIDA DEPARTMENT OF EDUCATION



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June 23, 2003

US Department of Education
Attn: Mr. Bernard Tadley
Office of Inspector General
The Wanamaker Building
100 Penn Square East, Suite 502
Philadelphia, PA 19107

Dear Mr. Tadley:

SUBJECT: Draft Audit Report—Control Number ED-OIG/A03-C0019

Thank you for the opportunity to respond to the draft audit report. The Department was pleased to participate in this audit and to benefit from its findings. Many of the changes identified in the audit have been corrected already. The Department's comments include:

Finding No. 1—FL DOE's Perkins III Performance Data for Community Colleges Were Not Complete.

Concur, the following comments are made and actions identified.

1.1 Florida did report data on all 28 community colleges for measures 3P1, 3P2, 4P1, and 4P2. (4P1 and 4P2 were not included in the audit.)

When Florida negotiated baseline measures and data for 1P1, 1P2, and 2P1 with USDOE in September 2000, the state identified that it was submitting baseline data on only 11 of the 28 community colleges. At that time, we believed that with a focus on this data, that we would be able to collect reliable data on all 28 community colleges by 2000-2001. This did not occur.

LANNY D. LARSON
Office of Workforce Education

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- For 2001-2002, when the state evaluated the community college data, it determined that only 20 of the 28 colleges met the state data quality standards for submission to USDOE.

To drive home the importance of this data, each community college that has not supplied the appropriate data for these measures must identify how they will correct the deficiency prior to receiving the next year's funds.

- 1.2 Because Florida used data reporting elements that the community colleges were already reporting for state purposes, some community colleges did not make the connection between state and federal reporting. Florida did provide the community college reports coordinators with information about selection criteria at state and regional meetings prior to data submission and this information is provided in the annual notebook of data information. Realizing that constant updating is important, a federal update is now presented at most reports coordinators meetings, at state data base meetings, and at many state and regional workshops.
- 1.3 At the time the auditors were here, Florida was in the process of implementing a process to negotiate local performance targets and improvement plans with local educational agencies. This process, now in its second year, has required local staff to identify both data and program improvement strategies by looking at multiple years of data. This process has enabled state staff to take an in-depth look at data issues for each measure for each local educational agency for multiple years. Steps are being taken to review this local data prior to the Consolidated Annual Report submission of state data.

Finding No. 2—FL DOE's Perkins III Performance Data Reported to ED Were Not Accurate and Reliable for Secondary and Postsecondary Placement Measure Sub-Indicators 1S1, 1P1, 1P2, 2P1, and 1A1.

Concur with regard to 1P1, 1P2, 2P1. Uncertain as to 1S1 and 1A1.

- Florida has a long established, many-faceted system of edits to assure, to the maximum degree, that data that are submitted by school districts and community colleges meet definitional and consistency requirements. Even with these edits, however, there are reporting anomalies that can occur that would not be detected. For this reason, data reports are regularly provided to LEAs that compare current reporting to previous terms and years with values flagged that appear unreasonable. Since state funding is performance based, these reports represent "high stakes" issues that LEAs must address.
- 2.1 Florida did undergo a major shift in vocational education degree programs for the year audited which generated multiple records for students. Since the auditor's visit, controls have been put in place to ensure that the data is

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unduplicated to the student level and that each student was enrolled in an appropriate Perkins course. This correction was put in place for the submission of 2001-2002 data that was submitted in December 2002.

- Students that withdrew prior to attending classes should not have been reported as part of the data system. An audit process is annually completed by the Florida Auditor General to identify such errors in reporting.
- Florida is unclear about the issue relating to the 1S1 and 1A1 measure; however, the Auditor General also audits the submission of completion data.

Finding No. 3—FL DOE Needs to Improve Its Documentation Process for Summarizing Community College Reports.

Concur, Action Completed

- 3.1 A file to document the 2001-2002 data that was submitted in December 2002 has been generated.

Finding No. 4—FL DOE Needs to Improve the Processing of School Districts Performance Data Reports

Concur, the following comments are made and actions identified.

- Regular reports are routinely prepared to compare data reported in the current year to the previous year for postsecondary data.
- At the time the auditors were here, Florida was in the process of implementing a process to negotiate local performance targets and improvement plans with local educational agencies. This process, now in its second year, has required local staff to identify both data and program improvement strategies by looking at multiple years of data. This process has enabled state staff to take an in-depth look at data issues for each measure for each local educational agency for multiple years. Steps are being taken to review this local data prior to the Consolidated Annual Report submission of state data

Additional Comments:

Florida is constantly providing a number of opportunities for local educational agencies to learn about the data submissions and how the data will be used for Perkins and other state and federal purposes. We view local educational agencies as partners in improving the reliability and validity of the data and are constantly accessible to assist with data issues. The following are examples of opportunities provided.

- There are annual data base workshops for both school districts and community colleges.
- Data coordination meetings and reviews for community colleges are conducted three times per year; additionally, a new, similar process for the school districts has been implemented as well.
- Data definitions and formats are available in hard copy and online.

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- State staff visit individual LEAs for 3-day intensive data audits which generate suggestions for improvement.
- State staff are accessible by telephone and e-mail.

If you need any additional information, please feel free to contact Ms. Lynda Hartnig, Director of Budget and Accountability for Workforce Education at (850) 245-9002.

Sincerely,



Lanny Larson

LL/lh

Glossary

Completer: A completer is a student who completed at least one Occupational Completion Point within a vocational program and left secondary or postsecondary school within the reporting year.

Classification of Instructional Programs (CIP): A CIP is a program number used to identify FL DOE vocational education programs.

Occupational Completion Point (OCP): An OCP is an exit point in a vocational program, which is linked to a labor market entry point. The OCPs are identified by working with business and industry to identify specific employability points. In some programs, there is only one OCP and in other programs there are several OCPs that build a career ladder leading to a vocational certificate.

Technical Preparation (Tech-Prep): A tech-prep student is a student enrolled in an articulated sequential program of study (enrolled in level 2 or above courses) at grade level or above by grade 11 in mathematics, science, and communications, including a technical component, which leads to a minimum of a two-year post-secondary certificate or degree, and/or apprenticeship program.

Vocational Concentrator: Students who are enrolled in a threshold level of vocational education.

Dropped Enrollment: Students enrolled in Perkins III but failed to attend a Perkins III class during the reporting year.